

OPTION D BENEFICIARY



Needham Contributory Retirement
System

What is Option D?

- Option D is an optional benefit under M.G.L. c.32 s12(2)d that provides for a lifetime monthly allowance for the member's beneficiary in the event that member dies in active service.
- Members must have 2 years of creditable service to be eligible for this benefit.

Benefit Options

There are two types of benefits a survivor can elect to receive:

1. The member's annuity in a lump sum distribution via a direct refund or rollover to eligible pre-tax accounts (s 11(2)c)
2. Monthly lifetime Option D allowance which is equal to the Option C amount the member would have received had they retired on the date of their death. (s 12(2)d)

Beneficiary Election Process

LUMP SUM BENEFICIARY

OPTION D BENEFICIARY

Beneficiary Selection Form
(If Member Dies Before Retirement)
Form Last Revised: October, 2001

Retirement Board: Please place your address and phone number here. **Needham Contributory Retirement System**
1471 Highland Avenue
Needham, MA 02492
Phone: 781-455-7500 ext. 233

Choice of Beneficiary to Receive a Return of Accumulated Total Deductions at Member's Death

I, (Print Name) _____, a member of the _____ Retirement System, hereby request the Board of Retirement to pay any sum referred to in G.L. c. 32, § 11(2) due at my death to the following beneficiary or beneficiaries in the proportions designated.

My selection may be superseded by a selection under G.L. c. 32, § 12(2)(d) if I die leaving an eligible spouse who elects to receive a monthly benefit.

I understand that I may change my beneficiary designation at any time prior to my retirement and that upon my retirement, this form becomes void.

*The types of payments covered under G.L. c. 32, § 11(2) include:

- The payment of the accumulated deductions credited to a member's account in the annuity savings fund at the date of death when the member's death occurs prior to his/her retirement.
- The amount of any uncashed checks payable to a member at his or her death.

Any person or entity may be a beneficiary under G.L. c. 32, § 11(2). Give complete name and address of each beneficiary below:

Name	SSN	Proportion To Be Paid
Address _____		
Name _____	SSN _____	
Address _____		
Name _____	SSN _____	
Address _____		
Name _____	SSN _____	
Address _____		

Member's Signature _____ Date _____
Member's Address _____

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEES' RETIREMENT ADMINISTRATION COMMISSION
WEB | WWW.MA.RSPCA.ORG

Beneficiary Selection Form 2

Member's Last Name _____ First _____ MI _____ Social Security # _____

To Be Completed by Witness of Choice of Beneficiary of Accumulated Total Deductions.

Signature of Witness _____ Date _____
Name of Witness (Print) _____

Choice of Option (D) Beneficiary

I, (Print Name) _____, a member of the _____ Retirement System, hereby nominate the beneficiary * listed below, under the provisions of G.L. c. 32, § 12(2)(d) to receive from the retirement system a benefit equal to the Option (C) retirement allowance which would otherwise have been payable to me in the event that I die before being retired.

I understand that I may change my beneficiary designation at any time prior to my retirement and that upon my retirement this form becomes void.

I understand that this choice of Option D Beneficiary can be superseded if, at my death, I leave a spouse to whom I have been married for over one year and with whom I am living on the date of my death, or if living apart, for justifiable cause as determined by the Retirement Board.

Beneficiary

Name of Eligible Beneficiary _____ Beneficiary's Relationship to Member _____
Beneficiary's Date of Birth (Attach birth record) _____ Beneficiary's Social Security # _____

Member

Member's Signature _____ Date _____
Member's Street Address _____ Member's Social Security # _____
City/Town _____ State _____ Zip _____

To Be Completed by Witness of Choice of Option D Beneficiary

Witness' Signature _____ Date _____
Witness' Name (Print) _____

* An eligible beneficiary is defined under G.L. c. 32, § 12(2)(d) as the spouse, former spouse who has not remarried, child, father, mother, sister or brother of the member.

CLEAR

Eligible Beneficiaries

- ▣ Only one beneficiary can be elected under option D. Eligible beneficiaries are limited to:
 - ✓ Spouse
 - ✓ Sibling
 - ✓ Child
 - ✓ Parent
 - ✓ former Spouse who hasn't remarried

Your Spouse and Option D

- ▣ A members spouse may elect to receive Option D benefits if the following conditions were met:
 1. Your spouse must have been living with you at the time of your death or living apart for justifiable cause
 2. Must be married for at least one year
 3. Must have been a member in service at the time of death
 4. Must have completed 2 years of creditable service

Section 12(2)(d)

Calculation

(As though the member were age 55)

x 3 Year Average Salary	\$36,666.67
= x Age Factor (0.015)	
= Base	\$550.00
x Creditable Service (16.9167)	
= Total	\$9,304.19
÷ 12	\$775.35
x 12	\$9,304.20

Superannuation Formula Allowance (I)

80% Limitation	\$29,333.34
÷ 12	\$2,444.45
x 12	\$29,333.40

80% Allowance (II)

Opt. A Allowance (lesser of I or II)	Opt. A Allowance	\$9,304.20
+ Veteran's Benefit		0.00
= Total Opt. A Allowance	Total Allowance	\$9,304.20

Opt. D Allowance: Annuity/Pension Allocation

(Opt. A Monthly Allowance) \$775.35 x (Opt. C Factor) .9562 = (Monthly Allowance) \$741.39

Monthly Allowance	\$741.39
x 12	(Divisible by 3)
= Annual Allowance	\$8,896.68

(Based on beneficiary's actual age)

ASF Balance	\$44,000.00
x Annuity Factor (0.00733)	
= Monthly Annuity	\$322.52
x 12	
= Annual Annuity	\$3,870.24

(Annual Allowance - Annual Annuity)

Annual Pension	\$5,026.44
Annual Allowance	\$8,896.68
Monthly Allowance	\$741.39

All calculations are rounded to the nearest penny.

